

1 EDUCATION AND WORKFORCE DEVELOPMENT CABINET

2 Kentucky Board of Education

3 Department of Education

4 (Amendment)

5 780 KAR 7:060. Equipment inventory and insurance.

6 RELATES TO: KRS 45.301(1)(f), 45.313, 56.070-185, 156.802 [151B.025](3), 156.852

7 [151B.150]

8 STATUTORY AUTHORITY: KRS 156.802 [151B.025](3)

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 45.301(1)(f) requires the Finance and

10 Administration Cabinet to supervise purchasing and storekeeping and control of property and

11 stores. KRS 45.313 requires that each budget unit shall maintain a current inventory of

12 equipment having an original cost of \$500 or more. This inventory shall be available for

13 examination by the Finance and Administration Cabinet at all times. KRS 56.070-56.185 grants

14 the Finance and Administration Cabinet the authority to determine state property to be insured

15 under the state fire and tornado insurance fund. KRS 156.802 [151B.025] requires the Associate

16 Commissioner [~~Executive Director~~] of the Office of Career and Technical Education to

17 administer the state-operated career and technical education program. This administrative

18 regulation establishes policy and operating procedures relative to the inventory and insurance of

19 state-operated career and technical education equipment.

1 Section 1. (1) The Office of Administration and Support [~~Administrative Services~~] shall be
2 responsible for the management and control of an inventory system for career and [~~vocational-~~]
3 technical education programs.

4 (2) All equipment with a value of \$500[~~250~~] or more acquired in whole or in part with state
5 funds shall be maintained on this inventory and identified in accordance with 200 KAR 5:021.

6 (3) The area technology centers shall be responsible for conducting an annual inventory of all
7 property.

8 (4) All equipment acquired in whole or in part with federal funds shall be maintained on the
9 current inventory.

10 Section 2. Except as provided in subsections (1), (2), and (3) of this section, all career and
11 technical education equipment in the Kentucky TECH schools shall be covered by the State Fire
12 and Tornado Insurance Fund regular policy underwritten by the Commonwealth of Kentucky.

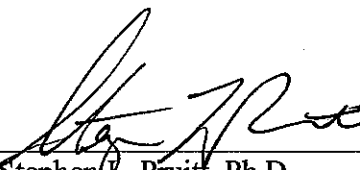
13 (1) Equipment insured for full coverage under the state computer insurance policy shall not be
14 covered under the State Fire and Tornado Insurance Fund.

15 (2) Equipment normally utilized and stationed at remote locations shall be insured under the
16 floater clause in the Fire and Tornado Insurance Fund.

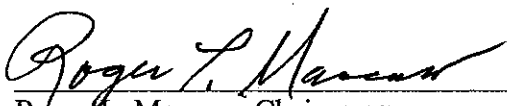
17 (3) Equipment on loan from industry requiring insurance shall be insured under the Inland
18 Marine policy underwritten by the Commonwealth of Kentucky.

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

5-12-16
(Date)


Stephen L. Pruitt, Ph.D.
Commissioner of Education

5-12-16
(Date)


Roger L. Marcum, Chairperson
Kentucky Board of Education

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this proposed administrative regulation shall be held on June 21, 2016, at 10 a.m. in the State Board Room, First Floor, Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky. Individuals interested in being heard at this meeting shall notify this agency in writing five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through June 30, 2016. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Kevin C. Brown, Associate Commissioner and General Counsel, Kentucky Department of Education, 500 Mero Street, First Floor, Capital Plaza Tower, Frankfort, Kentucky, 40601, phone 502-564-4474, fax 502-564-9321.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation: 780 KAR 7:060

Contact Person: Kevin C. Brown

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation provides equipment inventory procedures for the state-operated area technology centers.

(b) The necessity of this administrative regulation: This regulation is required in order to comply with the supervision requirements of Kentucky's Finance and Administration Cabinet.

(c) How this administrative regulation conforms to the content of the authorizing statute: KRS 45.301(1)(f) gives the Finance and Administration Cabinet supervision of the purchasing, storekeeping, and control of property and stores. KRS 45.513 mandates that each budget unit shall maintain a current inventory of equipment having an original cost of \$500 or more. KRS 156.802(3) gives the Department of Education the responsibility for all administrative functions of the state in relation to the management, control, and operation of the state-operated area technology centers. KRS 156.852 gives the Kentucky Board of Education the authorization to carry out the purposes of the program of career and technical education.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The amendments to this administrative regulation simplify the agency's regulatory scheme, eliminates confusion by combining equipment requirements into a single regulation, and increases efficiency of the agency and career and technical education programs.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendments to this regulation revise and update the regulation title, incorporate relevant language from 780 KAR 7:070 (which has been recommended for repeal), and revise outdated terminology.

(b) The necessity of the amendment to this administrative regulation: The amendments ensure that all requirements related to equipment reside together within a single regulation. The title amendment clarifies that this regulation addresses both equipment inventory and insurance. Other updates and revisions are necessary to comply with the Finance and Administration Cabinet and to reflect accurate, up-to-date language for the agency.

(c) How the amendment conforms to the content of the authorizing statute: Amendments align with the requirements of the Finance and Administration Cabinet and align with the authorizing powers of the Kentucky Department of Education and the Kentucky Board of Education in relation to the state-operated area technology centers.

(d) How the amendment will assist in the effective administration of the statutes: The amendments assist with the proper implementation of operating procedures relative to equipment

inventory and insurance.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: State-operated area technology centers in Kentucky, as well as supporting staff in the Kentucky Department of Education.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including: The amendments will impact the area technology centers and the Kentucky Department of Education by eliminating confusion and providing updated regulatory requirements related to equipment inventory and insurance.

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: N/A

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will be no additional cost to the schools, districts or the Kentucky Department of Education.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The area technology centers will experience a more simplified scheme of regulatory requirements and operate in compliance with updated requirements from the Finance and Administration Cabinet.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Additional costs are not anticipated.

(b) On a continuing basis: Additional costs are not anticipated.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Additional costs are not anticipated.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase will be necessary.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? Tiering was not appropriate in this administrative regulation because the administrative regulation applies equally to all school districts.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 780 KAR 7:060
Contact Person: Kevin C. Brown
Phone Number: 502-564-4474

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? State-operated area technology centers.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 45.301(1)(f), 45.313, 56.070-185, 156.802(3), 156.852.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. None.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? None.

(d) How much will it cost to administer this program for subsequent years? None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: Regulation does not generate revenue or establish fees.